

Press Release

**Office of the Kansas Securities Commissioner
618 S. Kansas Avenue
Topeka, Kansas 66603-3804**

Date of Release: July 21, 2006

Scott Brian Kaye, Wichita Resident Found Guilty of Securities Fraud

WICHITA, KANSAS – Scott Brian Kaye, Friday entered pleas and was adjudged guilty in Sedgwick County District Court to eight felony charges, including two counts of securities fraud, one count of sale of securities by an unregistered agent, and five counts of sale of an unregistered security.

Kaye, between June of 2002 and June of 2003 obtained \$1,676,414 from 17 investors by selling interests in TrueHedge Capital Partners, LP, an investment pool “managed” by Kaye. Investors were told that the investment was low risk and would produce high returns as Kaye promised to utilize a complex market strategy to guarantee a profit whether the stock market went up or down. Neither Kaye, nor the investment opportunity, was registered as required by Kansas law.

Kaye used over \$500,000 of investor funds to build a personal residence in Wichita, KS. Most of the rest of the money was lost in speculative trading. Kaye misrepresented that he was a registered investment adviser to gain access to traders.

Sentencing for Kaye is set on September 6 at 9 a.m. in Sedgwick County District Court. The matter was prosecuted by the Office of Kansas Securities Commissioner with the cooperation of District Attorney Nola Foulston's office.

Securities Commissioner Chris Biggs, said, “Kansas was the first state to have laws to protect investors. We encourage people to check out investment opportunities with our office before they send money to be sure the agents are licensed and the product is properly registered in Kansas. Investigate before you Invest.”

Contact the Office of the Securities Commissioner at (800) 232-9580 to check if an investment opportunity is registered and if the broker or investment adviser is licensed to sell securities in Kansas.